North Carolina General Assembly
House of Representatives
State Legislative Office Building
Raleigh, NC 27601-1096

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January 11, 2002

Renata Hesse
Trial Attorney
Antitrust Division
Department of Justice
601 D Street NW, Suite 1200
Washington, DC 20530

Dear Ms. Hesse,

As a member of the House Appropriations Committee of the North Carolina
General Assembly, I am painfully aware of the high and escalating cost of government
despite the fact that our citizens and businesses are experiencing terrible economic times
in our state. One cause of higher taxes, which has been particularly felt in North
Carolina, is that our state has lost a number of lawsuits and the taxpayers have had to pick
up the tab.

As you can tell, I am adamantly opposed to taxes in whatever form and work had
in each session of the legislature to reduce taxes and spending whenever possible. That is
why I was happy to see that the federal government's case against Microsoft had come to
a settlement agreement in the court of Judge Kollar-Kotelly. I know that this case has
already cost the taxpayers of this nation $30 million, not to mention lesser sums in the 18
states that also brought the original lawsuits.

I am pleased that North Carolina is one state that decided to agree with the
settlement and now no more state tax money will go in that direction. I would like to see
the same thing happen in the federal case as well. That is why I am strongly urging that

the judge to agree to the settlement in this case. Both sides will come away with gains and losses. That is how a settlement should work, and that is only fair.

I appreciate the opportunity to comment on this issue.

Sincerely,

Rex L. Baker